

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 11/1/2016	(3) CONTACT/PHONE Amy Olson, ASO II, 781-4729 / Cindy Collins, ASM, 788-2932	
(4) SUBJECT Request to approve a FY 2016-17 renewal contract, with the option to renew for two additional years, with Dignity Health d.b.a. French Hospital Medical Center in an amount not to exceed \$416,735 to provide ancillary services for the County Health Agency's Psychiatric Health Facility. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a FY 2016-17 renewal contract with Dignity Health d.b.a. French Hospital Medical Center in an amount not to exceed \$416,735 to provide ancillary services for the County Health Agency's Psychiatric Health Facility.			
(6) FUNDING SOURCE(S) Federal & State Funds, Private Insurance	(7) CURRENT YEAR FINANCIAL IMPACT \$416,735.00	(8) ANNUAL FINANCIAL IMPACT \$416,735.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001705		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>10-04-2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, LMFT, Behavioral Health Administrator

DATE: 11/1/2016

SUBJECT: Request to approve a FY 2016-17 renewal contract, with the option to renew for two additional years, with Dignity Health d.b.a. French Hospital Medical Center in an amount not to exceed \$416,735 to provide ancillary services for the County Health Agency's Psychiatric Health Facility. All Districts.

RECOMMENDATION

It is recommended that the Board approve a FY 2016-17 renewal contract with Dignity Health d.b.a. French Hospital Medical Center in an amount not to exceed \$416,735 to provide ancillary services for the County Health Agency's Psychiatric Health Facility.

DISCUSSION

Since 2003, French Hospital has provided ancillary services to the County Health Agency's Psychiatric Health Facility (PHF). The contract includes Dietetic, Environmental, and Laboratory services which are designed to meet standards prescribed by the State Department of Health Care Services.

The contractor assumes responsibility for the management of an organized hospital dietary service to clients. The contractor will provide qualified and trained staff to prepare and serve meals and supervise nutritional aspects of client care. The Director of Food and Dietary Services at French Hospital ensures that food and dietetic services provided to the PHF are of good quality in accordance with established policies and procedures. The contractor also agrees to conduct a quality assurance program and report results to the PHF Administration.

In addition to dietary services, the contractor provides environmental services, seven days per week, for housekeeping and maintenance of the entire facility. Environmental Services employees follow the standard operating procedures contained in the French Hospital Housekeeping Manual. The PHF Program Supervisor monitors cleanliness of the facility and communicates with French Hospital's Housekeeping Supervisor to ensure that no duties are neglected. French Hospital's Housekeeping Supervisor is expected to visit the PHF at least quarterly to monitor the quality of the work performed, evaluate the condition of the unit, and ensure that employees are using the appropriate personal protective equipment necessary for their safety.

French Hospital provides both routine and emergency laboratory services for clients admitted to the PHF on weekdays, weekends and holidays. Routine laboratory blood draws are ordered by a physician for all clients admitted to the PHF. Timely laboratory test results are vital for determining the most appropriate treatment and medication regimens for clients whose previous medical histories may be unknown at the time of admission.

An RFP was issued during summer 2016 to identify other potential contractors to provide the dietary portion of the services of this contract, however, no responses were received.

As specified in Exhibit C.4., the Option to Renew section of the contract, the contract may be extended for two one-year periods with the approval of the Health Agency Director. The Health Agency Director may also approve any changes pertaining to types of service(s), service level changes or rate changes as specified in Exhibit D.30, the Delegation of Authority section of the contract.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The FY 2016-17 Adopted Budget includes the contract amount of \$416,735 which reflects an overall 2.9% increase in maximum allowable costs over the FY 2015-16 contract. The increase in costs accounts for the incremental rise in food costs as well as fuel costs required to transport food items to the PHF and to transport French Hospital laboratory staff back and forth in order to collect blood samples. Dietetic Services costs are contracted at a fixed per meal rate cost of \$3.59 based on actual meals served (\$89,057 for the year). In addition to the meal cost, Dietetic Services include meal transportation expenses of \$2,679, meal preparation (labor) expenses of \$138,428, and miscellaneous expenses of \$4,603. The total budget for Dietetic Services for FY 2016-17 is \$234,767, and of this budget for Dietetic Services, fixed costs total \$141,107.59 annually or \$11,758.97 monthly. The estimated number of meals included in the contract supports a PHF average daily client census of twelve. This meal level has historically been sufficient to cover the highest average annual daily client census experienced in recent years. For FY 2015-16, \$207,857 was expended on PHF meals, reflecting a slightly higher client population than anticipated. Although the contract amount is based on a twelve client census, the department pays only for the number of meals actually provided. Environmental services costs for housekeeping and custodial services are contracted at a maximum amount of \$94,248, and laboratory services costs are contracted at a maximum amount of \$87,720, but the County only pays for actual services that are performed.

Historical Amounts Paid Including New Contract

Service	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Contract
Dietary	\$ 219,206	\$ 221,856	\$ 207,857	\$ 234,767*
Environmental	\$ 86,310	\$ 85,274	\$ 67,616	\$ 94,248
Laboratory	\$ 77,889	\$ 75,239	\$ 74,920	\$ 87,720
Total	\$ 383,405	\$ 382,369	\$ 350,393	\$ 416,735

*Dietary expenses include funds for meals, snacks, meal transportation expenses (gas and vehicle maintenance), and meal preparation labor expenses (management, training, food prep and clean-up).

Average Daily Census Comparisons

Average Daily Census FY 2012-13	Average Daily Census FY 2013-14	Average Daily Census FY 2014-15	Average Daily Census FY 2015-16
10.7	11.5	16.0	10.4

RESULTS

For FY 2014-15, 16,087 meals were served at the PHF, while 12,117 meals were served during FY 2015-16.

Approximately 110 clients had blood drawn each month for multiple laboratory tests as required by PHF doctors. At least three or more laboratory tests are typically performed for each client.

The services provided through this contract are an intrinsic part of client care and treatment, and will help to ensure that the PHF is in compliance with all federal and state statutes related to the health and safety of clients.

Ancillary services are essential to PHF operations. Nutritious meals, timely laboratory tests, and a safe, clean environment are all components that are necessary to ensure a quality level of care for clients. The services provided to the PHF by French Hospital Medical Center help Behavioral Health assure that each client admitted to the PHF is provided with necessary nutrition and laboratory services within a hygienic facility. Providing the most appropriate services to these clients increases their probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Dignity Health dba French Hospital FY 16-17 Contract